



**Local Agency
Formation Commission
LAFCO of Napa County**

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TO: Local Agency Formation Commission
FROM: Daniel Schwarz, Executive Officer
SUBJECT: Comprehensive Study of Landscaping and Lighting Districts

INTRODUCTION AND BACKGROUND

On January 1, 2001, the Cortese-Knox-Hertzberg Local Government Reorganization Act became the governing law of LAFCOs. One change brought by this Act was the creation of a new LAFCO function, the service review. California Government Code §56430 states that prior to any review or update of a sphere of influence, the Commission shall conduct a service review – a comprehensive evaluation of the ability of the agency to provide service within its existing jurisdiction and within its sphere. Government Code §56425(f) states that the Commission shall update all spheres every five years, meaning that the Commission must also conduct service reviews on a five-year cycle. Each of the 58 LAFCOs may adopt their own approach to fulfilling the service review and sphere update requirements.

To fulfill these responsibilities, LAFCO of Napa County adopted a schedule for service reviews and sphere updates to begin in late 2001 and end in late 2005. In developing this schedule, the Commission determined that the complex assignment before it must be accomplished through a series of studies. Some of these studies are designed to conduct an analysis of one type of service across many agencies and/or areas in Napa County, while other studies focus on the breadth of services offered by one agency. Overlap is an inherent component of this approach – any given agency may be evaluated in the context of several studies. As a result, there is the possibility that reports later in the schedule will give rise to reconsideration of conclusions drawn in an earlier study. In addition, this approach means that LAFCO will not fully meet its statutory obligations until the completion of its adopted schedule. When the schedule is completed, the Commission will evaluate the need for future studies and develop a schedule for the 2006-2010 cycle.

One of the studies LAFCO is conducting as part of this process is the *Comprehensive Study of Landscaping and Lighting Districts*. This study focuses on the provision of the following services in two unincorporated areas:

Lori Luporini, Chair
Mayor, City of American Canyon

Bill Dodd, Vice-Chair
Supervisor, 4th District

Guy Kay, Commissioner
Representative of the General Public

Ken Slavens, Commissioner
Mayor, City of St. Helena

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Vacant, Alt. Commissioner
Representative of the General Public

Harry Martin, Alt. Commissioner
Councilmember, City of Napa

Harold Moskowitz, Alt. Commissioner
Supervisor, 5th District

Daniel Schwarz
Executive Officer

- street lighting;
- street maintenance in the form of street cleaning or sweeping; and
- landscape maintenance on and along public roadways.

The areas in question are the Silverado County Club and the airport industrial area. LAFCO acknowledges that the five cities in Napa County provide some form of the services covered by this study. However, it was decided for this first round of the municipal service review assignment to focus only on the districts that provide these services in unincorporated areas. The districts are Silverado Community Services District (CSD) and County Service Area (CSA) #3

In preparing the *Comprehensive Study of Landscaping and Lighting Districts*, staff has determined that it is distinct from its other studies. While somewhat different in the eyes of the California Government Code, Silverado CSD and CSA #3 are serving the same general purpose for the County of Napa and are operated by the County in the same general manner. Today, both districts are essentially corporate vehicles for the purpose of special assessment. Both districts operate as instruments for the County to develop and maintain annual special assessments on real property in order to generate funds to contract for the services enumerated above. Both districts were formed for other purposes, but evolved to become these assessment vehicles.

This study is distinct in that its focus will be more on the intent, application, and potential of certain sections of the Government Code than it will be an analysis of the services provided. As such, staff believes this report – a general primer on the governing laws of these districts and the powers these districts exercise – will be helpful to the Commission and interested parties. This primer is presented for discussion purposes. Staff's intent is to release the study's two components, the municipal service review and the sphere of influence review, for discussion at a public workshop during the Commission's April 4, 2005 regular meeting.

COMMUNITY SERVICES DISTRICT LAW

California Government Code §§61000-61850 contain the division known as "Community Services District Law." Enacted by the Legislature in 1955, CSD law allows the formation of a municipal agency empowered to provide elevated levels of urban services to a defined jurisdiction. There are currently 317 CSDs in California, the vast majority of which are independent special districts. A handful – 20 – operates as dependent districts under a board of supervisors. (Thirteen are dependent to a board of supervisors. Seven are dependent to a city council.) Government Code §61600 (Attachment 1) enumerates the specific powers available to a CSD. Formation of a CSD requires the approval of a majority of the voters in the proposed district.

With few exceptions, a CSD is capable of providing all of the municipal services that a general law city can provide. The most notable exception is land use planning. Because of this broad authority, over the years, many planners and government analysts have advocated the formation of CSDs in areas that are anticipated to develop into cities. An independent CSD provides a community with the power of self-governance and local control for issues concerning municipal services. However, there are restrictions on the exercise of a CSD's authority. A CSD may only exercise with discretion those powers that it was granted at the time of its formation. Activating new powers or deactivating existing powers requires a majority vote of the electorate of the CSD.

CSD's are governed by a 3 or 5 member board of directors. At the time of formation, an election for a board of directors may take place, or a board of supervisors or city council has the option of appointing a district board. The appointed board may be the board of supervisors or the city council. Constituents of a CSD with an appointed board have the means to call for an election to determine if the CSD should have a directly elected board.

A CSD can be funded by property taxes, special assessments, or some combination of the two.

Silverado CSD

Silverado CSD's jurisdictional boundary is nearly identical to the boundary of the Silverado County Club development. The District was formed in 1967 and empowered to exercise the following powers:

- provision of water for domestic use, irrigation, sanitation, industrial use, fire protection, and recreation;
- provision of fire protection;
- provision of public recreation by means of parks (including, but not limited to aquatic parks and recreational harbors, playgrounds, golf course, swimming pools, or recreation buildings);
- provision and maintenance of street lighting;
- provision of police protection (specifically the equipment and maintenance of a police department or other police protection to protect and safeguard life and property); and
- street maintenance.¹

¹ It appears that street maintenance was interpreted to include maintenance of street landscaping, although this was not explicit at the time of formation.

The Board of Supervisors was designated as the Board of Directors of the CSD. The Board receives advice from a municipal advisory committee it appoints that is comprised of registered voters within the District.

From its formation until 1977, Silverado CSD exercised its authority to provide potable water, street lighting, and street maintenance, including landscaping and street sweeping. Under the umbrella of fire protection, the District also initiated a limited weed abatement program. It has not exercised its other powers. The District has always offered these services by contracting with other entities. For the District's first decade of existence, potable water was provided by way of agreements with the City of Napa. In 1977, the City of Napa assumed full control of the water system within the District's boundaries. Since that time, the District has limited its services to what it defines as street lighting, street sweeping, landscape maintenance, and weed abatement. There is no record that the District ever deactivated any of the powers enacted at the time of formation.

Silverado CSD is funded by a special assessment.

COUNTY SERVICE AREA LAW

California Government Code §§25210.1-25338 contain a chapter known as "County Service Area (CSA) Law." CSAs are explicitly dependent districts with a board made up of the board of supervisors. CSA law encompasses a set of general powers given to boards of supervisors to allow for the provision of urban levels of municipal services within the CSA boundaries. Government Code §§25210.4a-25210.4d (Attachment 2) enumerates the powers that can be exercised by CSAs throughout the state.² Formation of a CSA requires actions by a board of supervisors and local agency formation commission; the formation does not go to a vote in a general election unless there is substantial protest filed by eligible voters or property owners. However, most CSA formations are tied to the approval of an assessment that requires approval of affected property owners.

CSAs are funded by some form of enterprise fee or special assessment, or some combination of the two. (CSA law does provide rather liberal provisions for a Board of Supervisors to loan money to a CSA, but this money must be paid back to the County.) Elections for special assessments of real property are different from general elections in that property owners only cast their votes if they oppose the assessment. Approval of the vote is indicated by not submitting a ballot. Anecdotal evidence suggests that CSA formations have a higher success rate than many other district formations – most counties propose CSAs with narrowly prescribed powers that are clearly of benefit to the affected properties. (Some counties have over 50 CSAs.)

² CSA Law includes a number of sections that grant special powers to specific counties for specific purposes. For example, G.C. §25210.4h allows for the formation of a CSA in Napa County to provide certain services related to farmworker housing. This section allowed for the formation of CSA #4.

A CSA can activate new powers through action of a board of supervisors with approval from the local agency formation commission.

County Service Area #3

CSA #3's jurisdictional boundary is nearly identical to the area contained in the Airport Industrial Area Specific Plan. The District was formed in 1979 and empowered to exercise the following powers:

- provision of water (potable); and
- provision of sanitary (sewer) services.

The expressed intent of the Board of Supervisors was to eliminate jurisdictional confusion in the airport industrial area. It was envisioned that CSA #3 would not exercise its powers directly, but would instead contract for these services from the various providers in the vicinity of the District. However, such contract or agreements never emerged, and the key service providers, the American Canyon County Water District and the Napa Sanitation District simply extended service directly to the area. In 1985, LAFCO staff recommended dissolution of the District.

Staff's recommendation was not acted upon, and the District sat dormant until 1994. At that time, the Board of Supervisors and LAFCO completed a two-year review that concluded with the activation of a new set of powers for CSA #3:

- structural fire protection;
- street lighting;
- street sweeping; and
- street landscaping.

Water and sewer service powers were removed from the District's authority.

CSA #3 consists of three benefit zones, which are assessed based on the level and types of services extended by the District to the affected properties.